

# Kahoot!

**Make learning awesome**

Q4 2019 presentation  
February 27<sup>th</sup> 2020



**Our vision is to build  
the leading learning  
platform in the world**

# Kahoot! overview



Scalable cloud platform

**\$20B**

Large market opportunity\*



Recognized market leader



Viral business model

**1.2B**

Participating players YoY

**110k**

Net new paid seats in 2019

**5M+**

Active teachers on the platform

**90-100%**

Net dollar retention

*\* Based on estimated EdTech market in 2020 from Goldman Sachs Education Technology Sector trends and market update August 2019*

# New and existing customers are making learning awesome



JPMORGAN CHASE & CO.

Humana.



LinkedIn

Capgemini

Coca-Cola



TulsaTech



Abbott



Adecco

MEDIACOM

COMCAST

KPMG



Kahoot!

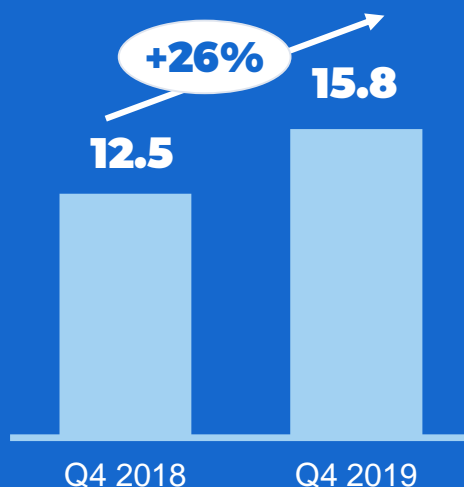
# Highlights Q4 and 2019

- **Strong usage growth on the Kahoot platform** with 26% growth in active accounts, 22% growth in hosted games and 16% growth in participating players last twelve months
- **Kahoot launched several new features** and editions for all three main segments (at Work, at School and at Home), contributing to the growth of both free and paid users in the quarter
- **Good growth in paid seats**, reaching 170K in Q4 2019 for the group, with 152K from Kahoot and 18K from DragonBox School
- **2019 Invoiced revenue growth of 275%** to \$13.0m (Pro forma full year 2019 \$15.2m)
- **Positive cash flow from operations** of \$1.2m in Q4 2019, compared to -\$0.6m in Q3 2019
- **Solid financial cash position** with \$40.9m by end of Q4 including \$25m in new equity from a private placement in October 2019

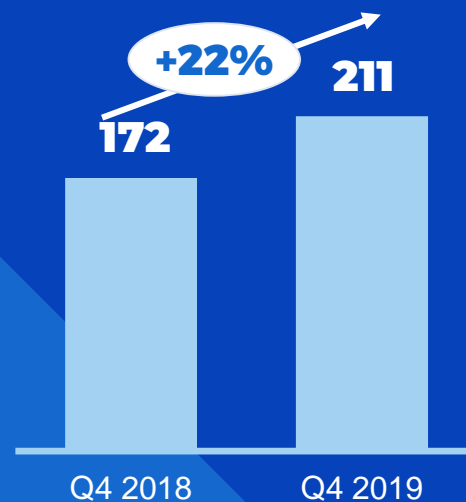
# Continued growth in accounts and usage

Last twelve months (in millions)

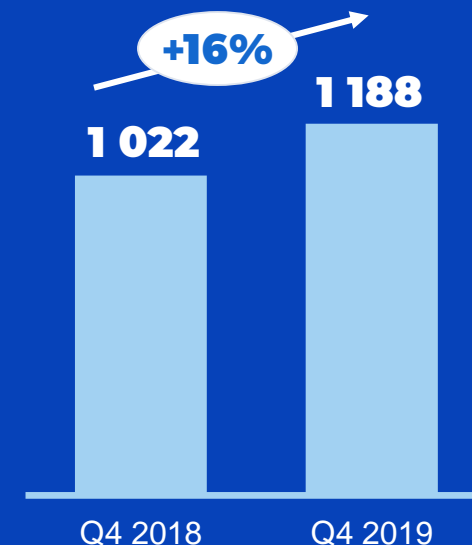
## Active accounts



## Hosted games



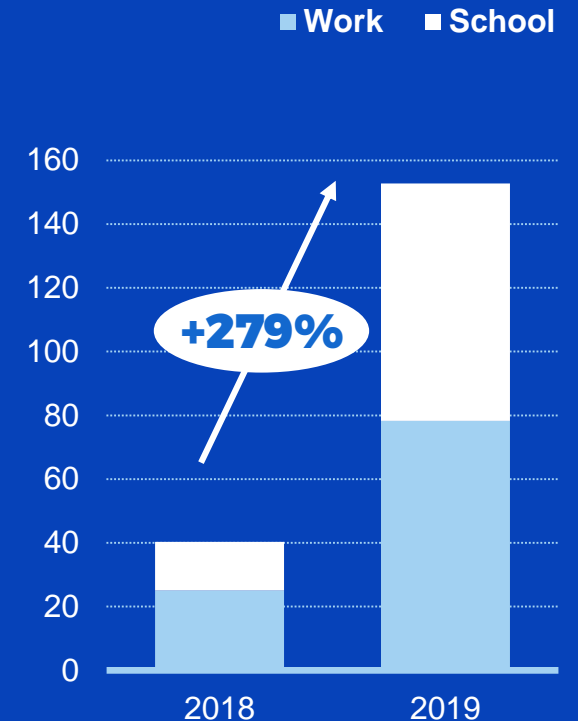
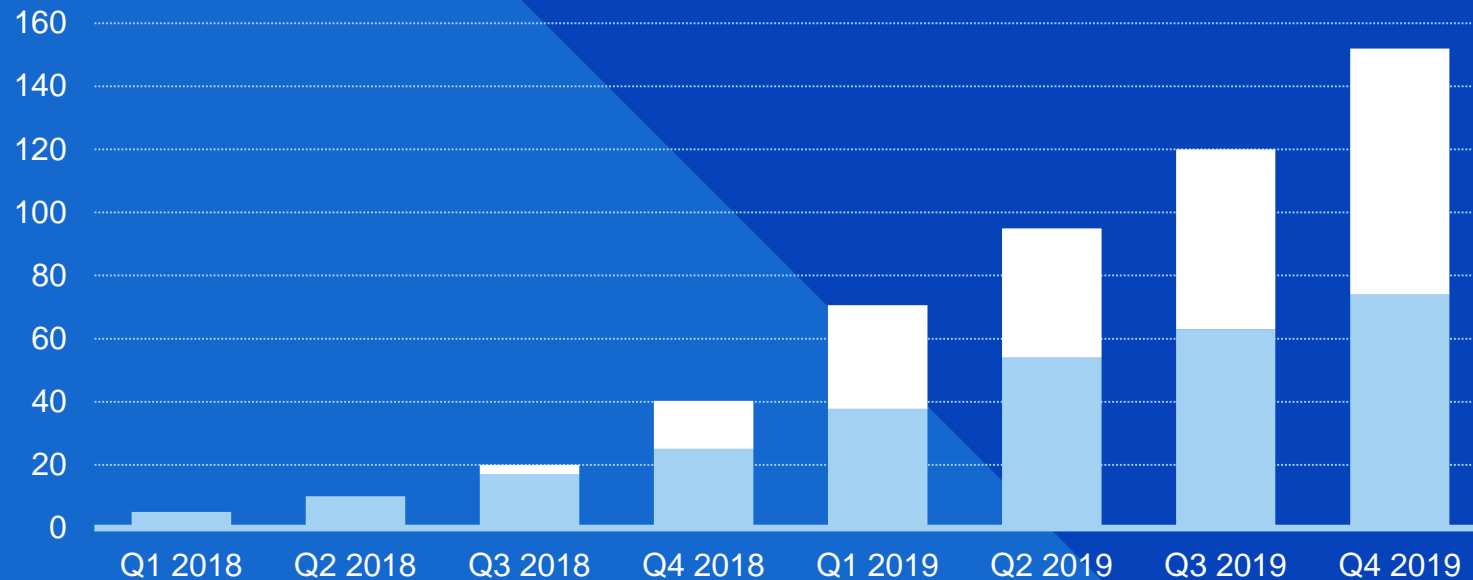
## Participants



The user growth on the platform last twelve months continued, reaching 1.2bn participating players (16% YoY growth), over 210m games played (22% growth YoY) hosted by 15.8m active accounts (26% YoY growth)

# Continued growth in paid seats

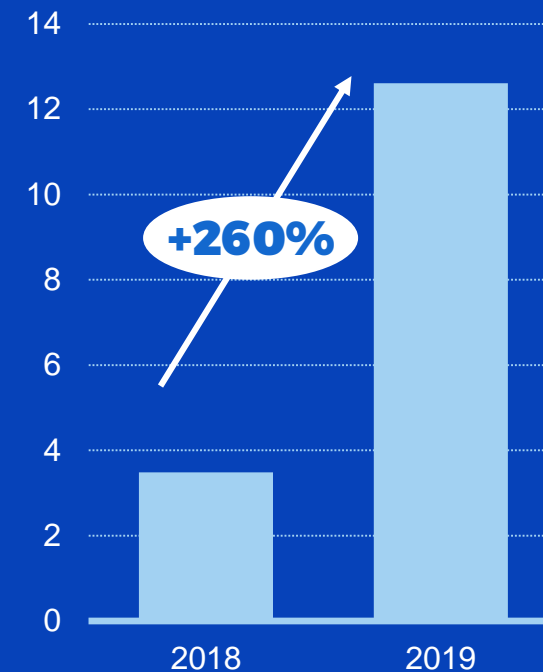
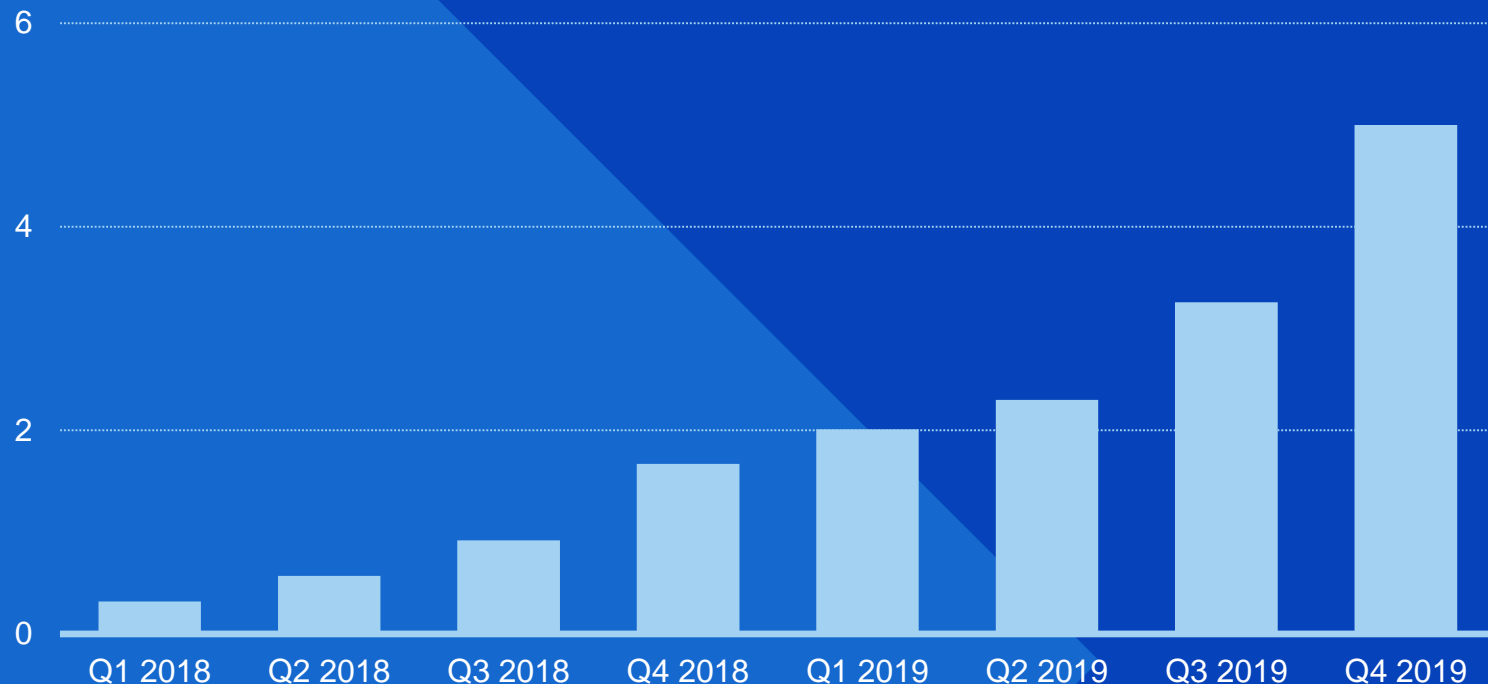
Paid seat per quarter (in thousands)



Kahoot! reached 152K paid seats as of Q4 2019, compared to 120K end of Q3 2019, where of 78K in the Business segment and 74K in the School segment

# Quarterly invoiced revenue development

Invoiced revenue (in millions USD)

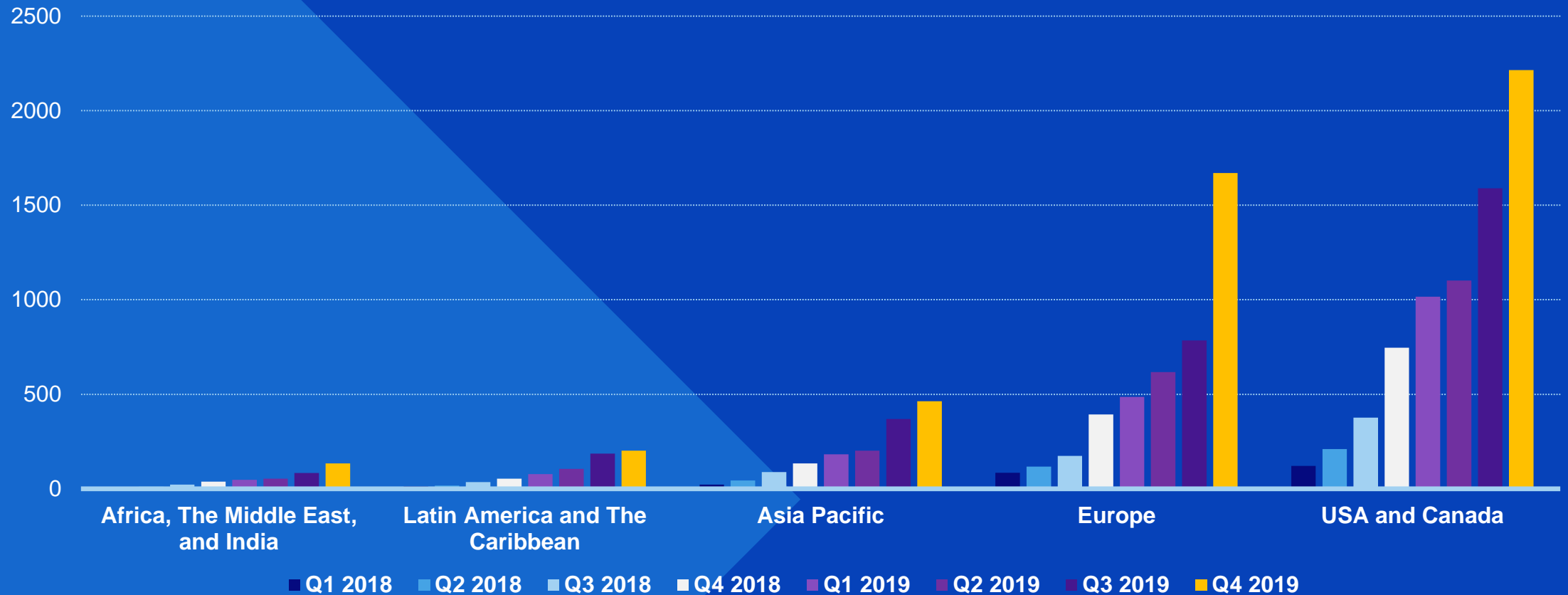


Q4 2019 invoiced revenue grew to \$5.0m. The organic quarter-over-quarter growth for Kahoot was 54% in Q4 2019 vs Q3 2019



# Automated invoiced revenue per region

Automated Invoiced revenue (in thousands USD)



Kahoot! has paying subscribers from automated sales in more than 150 countries

USA and Canada represent approx. 48% of revenue (Europe approx. 35%) in Q4 2019

*Not including DragonBox and Poio*

# Profit & Loss Statement Q4 and 2019

## P&L - Kahoot! GROUP - Q4 2019 / 2019

All figures in thousands USD

|                                  | As reported     |                 |              | As reported      |                  |              |
|----------------------------------|-----------------|-----------------|--------------|------------------|------------------|--------------|
|                                  | Group           | Group           |              | Group            | Group            |              |
|                                  | Q4 2019         | Q4 2018         | Growth       | 2019             | 2018             | Growth       |
| <b>Invoiced Revenue</b>          | <b>\$5 319</b>  | <b>\$1 669</b>  | 219 %        | <b>\$13 041</b>  | <b>\$3 480</b>   | 275 %        |
| Net change unrecognized revenues | -\$1 335        | -\$832          |              | -\$4 284         | -\$1 549         |              |
| <b>Total Recognized Revenue</b>  | <b>\$3 984</b>  | <b>\$837</b>    | <b>376 %</b> | <b>\$8 757</b>   | <b>\$1 932</b>   | <b>353 %</b> |
| COGS                             | -\$439          | -\$110          |              | -\$970           | -\$160           |              |
| Payroll/Consulting               | -\$3 320        | -\$1 895        |              | -\$10 086        | -\$8 104         |              |
| Other OPEX                       | -\$1 377        | -\$932          |              | -\$4 694         | -\$3 455         |              |
| <b>Total Operating Expenses</b>  | <b>-\$5 137</b> | <b>-\$2 936</b> | <b>75 %</b>  | <b>-\$15 750</b> | <b>-\$11 719</b> | <b>34 %</b>  |
| <b>EBITDA</b>                    | <b>-\$1 153</b> | <b>-\$2 100</b> |              | <b>-\$6 993</b>  | <b>-\$9 788</b>  |              |

- Invoiced revenue of \$5.3m in Q4 2019, compared to \$1.7m in Q4 2018 and invoiced revenue of \$13.0m in 2019, compared to \$3.5 in 2018. Proforma invoiced revenue full year 2019 including acquired units reached \$15.2m
- Kahoot organic growth: Invoiced revenue of \$5.0m in Q4 2019, compared to \$1.7m in Q4 2018 (197% YoY growth) and Invoiced revenue of \$12.5m in 2019, compared to \$3.5m in 2018 (260% YoY growth)
- Operating revenue of \$4.0m in Q4 2019, compared to \$0.8m in Q4 2018 and Operating revenue of \$8.8m in 2019, compared to \$1.9m in 2018
- EBITDA of -\$1.2m in Q4 2019, compared to -\$2.1m in Q4 2018 and EBITDA of -\$7.0m in 2019, compared to -\$9.8m in 2018

# Balance Sheet Q4 2019

## Balance sheet - Kahoot! GROUP

All figures in thousands USD

|   | 31.12.2019      | 31.12.2018      |
|---|-----------------|-----------------|
| Capitalized R&D                           | \$2 640         | \$3 614         |
| Licenses / Domain                         | \$204           | \$204           |
| Goodwill                                  | \$24 086        | \$0             |
| Deferred tax asset                        | \$3 431         | \$3 522         |
| <b>Total intangible fixed assets</b>      | <b>\$30 360</b> | <b>\$7 340</b>  |
| <b>Property and equipment</b>             | <b>\$313</b>    | <b>\$142</b>    |
| <b>Financial fixed assets</b>             | <b>\$0</b>      | <b>-\$56</b>    |
| <b>Total fixed assets</b>                 | <b>\$30 674</b> | <b>\$7 427</b>  |
| Inventory/Deferred COGS                   | \$147           | \$0             |
| Accounts receivable                       | \$1 322         | \$384           |
| Prepaid expenses and other current assets | \$564           | \$542           |
| Cash and cash equivalents                 | \$40 851        | \$28 292        |
| <b>Total current assets</b>               | <b>\$42 883</b> | <b>\$29 218</b> |
| <b>Total assets</b>                       | <b>\$73 557</b> | <b>\$36 645</b> |
| <b>Total equity</b>                       | <b>\$63 359</b> | <b>\$34 075</b> |
| Accounts payable                          | \$940           | \$178           |
| Public duties payable                     | \$1 767         | \$288           |
| Deferred revenues                         | \$6 718         | \$1 652         |
| Other current liabilities                 | \$773           | \$452           |
| <b>Total current liabilities</b>          | <b>\$10 197</b> | <b>\$2 570</b>  |
| <b>Total equity and liabilities</b>       | <b>\$73 557</b> | <b>\$36 645</b> |

- Cash and cash equivalents as of 31.12.2019 were \$40.9m including proceeds of approx. \$25m from the October 2019 funding round, a private placement to institutional shareholders
- Deferred revenues reached \$6.7m per 31.12.19, increased from \$1.7m per 31.12.18
- No long-term debt and equity ratio of 86%
- Goodwill from acquired units in 2019 after depreciation is \$24m end of year.

# Cash flow statement Q4 2019

## Cash flow - Kahoot! GROUP

All figures in thousands USD

|  | Q1 2019         | Q2 2019         | Q3 2019          | Q4 2019         | 2019             |
|--|-----------------|-----------------|------------------|-----------------|------------------|
| <b>Profit/(loss) before tax</b>                          | <b>-\$2 443</b> | <b>-\$2 121</b> | <b>-\$2 267</b>  | <b>-\$2 870</b> | <b>-\$9 701</b>  |
| Depreciation and amortisation                            | \$239           | \$239           | \$656            | \$1 533         | \$2 667          |
| Changes in AR  | -\$245          | -\$201          | -\$341           | -\$150          | -\$937           |
| Changes in AP  | \$124           | \$143           | -\$41            | \$536           | \$762            |
| Changes in Public duties Payable                         | -\$251          | \$203           | -\$454           | \$842           | \$340            |
| Changes in Deferred revenues                             | \$839           | \$854           | \$1 186          | \$2 186         | \$5 065          |
| Changes in other current balance sheet items             | -\$150          | -\$568          | \$693            | -\$891          | -\$915           |
| <b>Net cash flow from operating activities</b>           | <b>-\$1 888</b> | <b>-\$1 451</b> | <b>-\$567</b>    | <b>\$1 187</b>  | <b>-\$2 719</b>  |
| Capitalized R&D  | \$0             | \$0             | \$0              | \$0             | \$0              |
| Acquisition, net of cash acquired                        | \$0             | -\$116          | -\$9 426         | -\$214          | -\$9 755         |
| Purchase of tangible fixed assets                        | -\$82           | -\$28           | -\$64            | -\$74           | -\$247           |
| <b>Net cash flow from investing activities</b>           | <b>-\$82</b>    | <b>-\$144</b>   | <b>-\$9 489</b>  | <b>-\$288</b>   | <b>-\$10 002</b> |
| Proceeds from equity issue                               | \$245           | \$0             | \$0              | \$25 713        | \$25 958         |
| <b>Net cash flow from financing activities</b>           | <b>\$245</b>    | <b>\$0</b>      | <b>\$0</b>       | <b>\$25 713</b> | <b>\$25 958</b>  |
| Translation differences                                  | -\$145          | -\$127          | -\$1 244         | \$839           | -\$677           |
| <b>Net change in cash and cash equivalents</b>           | <b>-\$1 869</b> | <b>-\$1 722</b> | <b>-\$11 301</b> | <b>\$27 451</b> | <b>\$12 559</b>  |
| Cash and cash equivalents at beginning of period         | \$28 292        | \$26 423        | \$24 701         | \$13 400        | \$28 292         |
| <b>Cash and cash equivalents at end of period</b>        | <b>\$26 423</b> | <b>\$24 701</b> | <b>\$13 400</b>  | <b>\$40 851</b> | <b>\$40 851</b>  |
| <b>Non-cash investing and financing transactions</b>     |                 |                 |                  |                 |                  |
| Fair value of shares issued as acquisition consideration |                 |                 | \$14 647         |                 | \$14 647         |

- Strong improvement in cash flow from operations in Q4 2019 due to growth in invoiced revenue
- The Kahoot Group had a positive cash flow from operations of \$1.2m in Q4 2019, improvement from -\$0.6m in Q3 2019

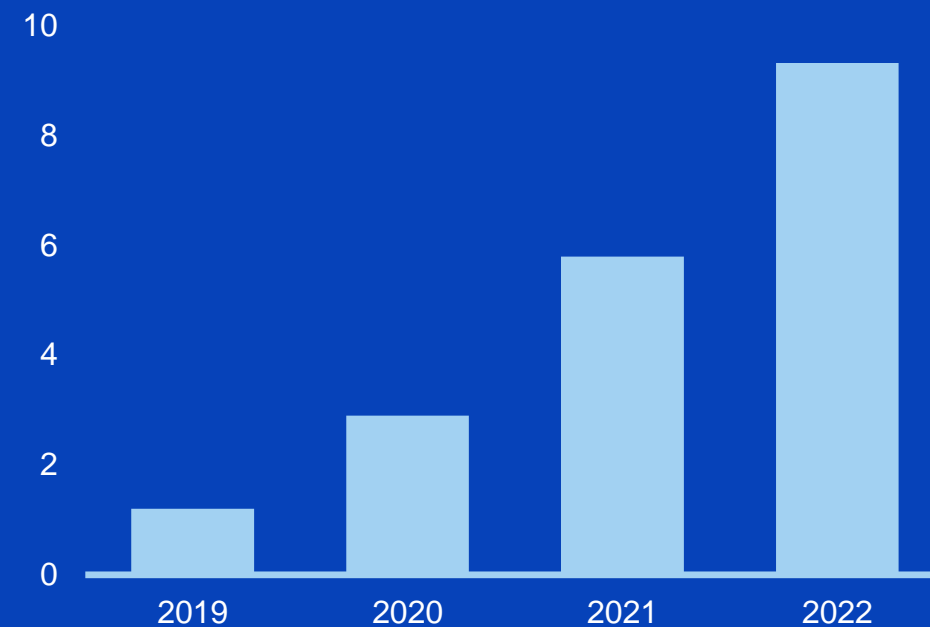
# Forward looking statement

## For Q1 2020 and FY2020, Kahoot! currently expects:

- Invoice growth rate in 2020 of 100-150% from proforma 2019 level, with positive cash flow from operations
- Invoiced revenue in Q1 2020 to be 10-15% higher than Q4 2019, with positive cash flow from operations
- Kahoot will launch several new initiatives the coming months, including Kahoot Study, a self-study feature for engaging individual study and study groups in different locations

As previously indicated by the company, the Board of Directors has decided to start preparing the company to move to a main list during the first half of 2021

## Kahoot! MRR end of year, in millions USD



Target 2022: Reach over \$100m in customer base value, indicating an MRR \$9-\$10m

# About Kahoot!



Founded in 2013, Kahoot started by delivering a quiz based game to **ensure attention, create engagement** and **provide knowledge in classrooms**



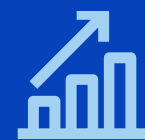
Kahoot! is a **globally recognized learning brand**, from kindergarten to Wall Street



In the last 12 months, over **200 million games** were played with **1.2 billion participating players** in over **200 countries**



Kahoot! has **commercial subscription** editions available for all segments with a **free basic version** for personal use and teachers

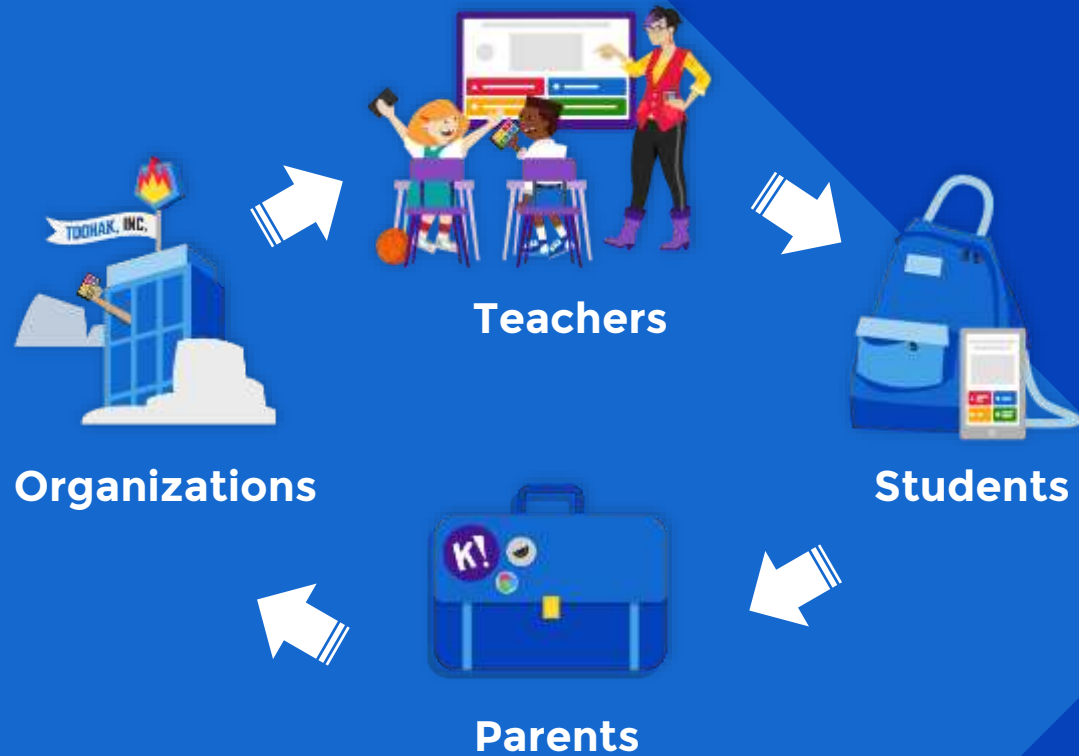


**Viral growth**, currently adding millions of new accounts and more than **110K net new paid seats** annually



The goal is to become the **leading global learning platform**, extending current offerings and accelerating organic growth

# The Kahoot! learning ecosystem



Kahoot!



## Embraced by teachers

Make learning awesome!  
5M+ active teachers globally



## Loved by students

Engaging learning experience  
800M participating students LTM



## Trusted by parents

Playful learning in a social setting  
100M games played LTM



## Valued by organizations

Engaging corporate learning  
20M participating employees



Kahoot!

# Kahoot! *at school*

Embraced by over 5 million teachers  
Loved by hundreds of millions of students  
Empowering students from learners to leaders



Kahoot!

## at school

Premium editions

All schools (K-12)

Higher Education

\$1 / \$3 / \$6

\$5 / \$10 / \$15

All prices per teacher per month

# Kahoot! *at home*

Millions share  
memorable  
moments!

Practice  
at home

Helping  
children learn  
to read

Creating excitement  
for algebra and  
geometry



## at home

Premium editions

Introducing

Learning apps

\$5-25

Family subscription

From \$3/month  
(summer 2020)

Kahoot!

# Kahoot! *at work*

Millions of employees playing Kahoot!  
97% of Fortune 500 is using Kahoot!  
Energizing audience in events of any size



Kahoot!

## at work

Introducing

For professionals

\$10 / \$20 / \$40

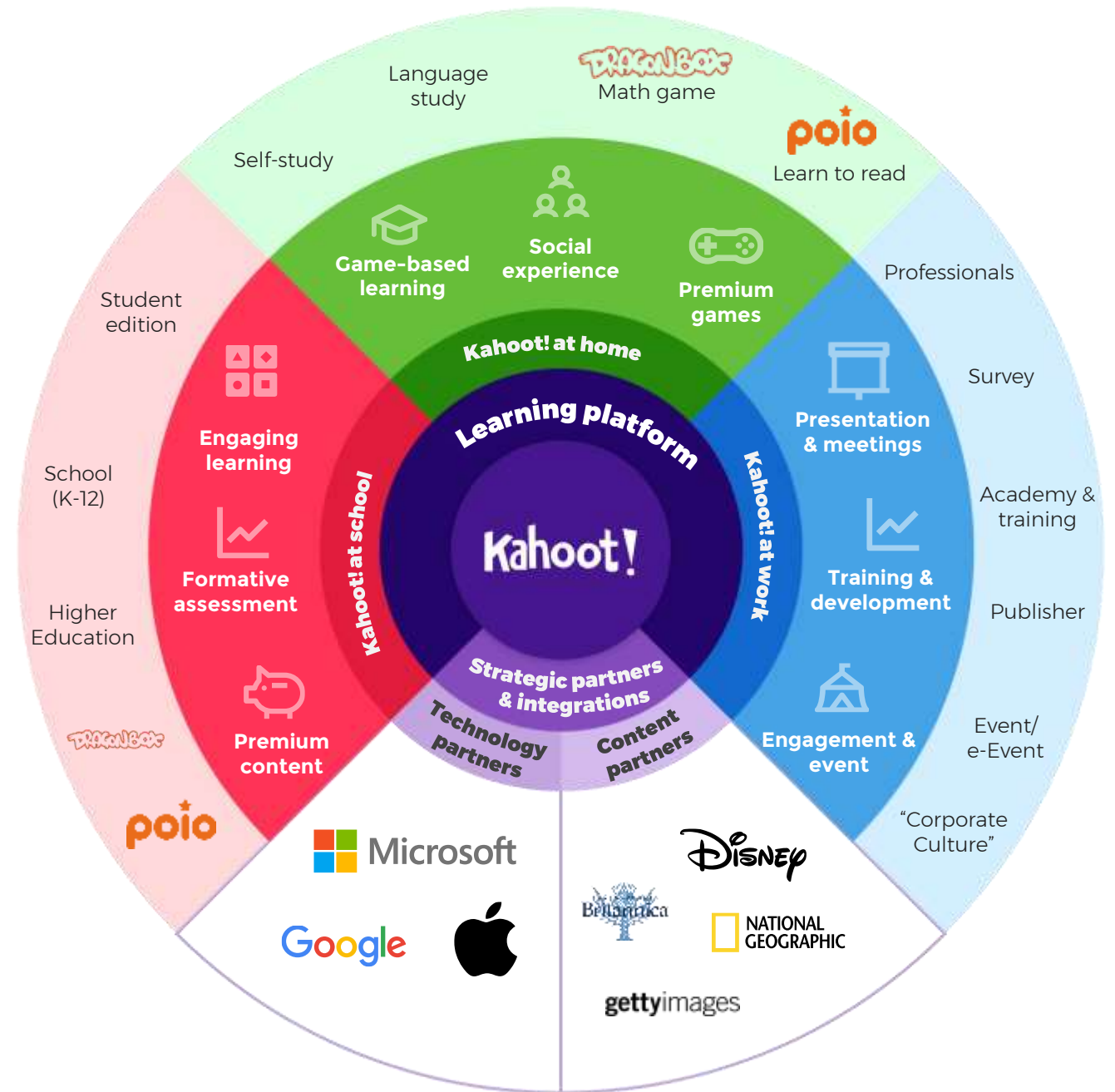
Business suite

For teams & organisations

All prices per presenter/host per month

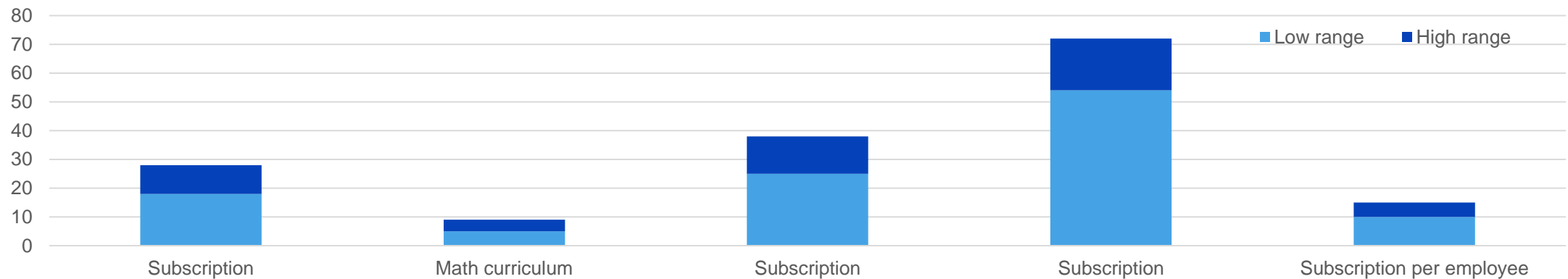
# The Kahoot! learning platform 2020-2021

Kahoot!



# Kahoot! Customer growth goals 2022

The goal to reach a customer base value of \$100-125m in 2022, based on the following assumptions:



## @ School

- 5-8% of Active Teachers on a paid subscription (400-600K) with increased active teacher base (free and paid) with 50% (7.5m)
- Monthly price \$3-5 per teacher (ARR \$18-28m)
- Increase Students on full math curriculum to 200K
- Monthly price \$2-4 per student (ARR \$5-9m)

## @ Home

- 600-800K subscriptions converted from today's Social accounts and premium app purchases
- Monthly price \$3-5 per user (families) (ARR \$25-38m)

## @ Work

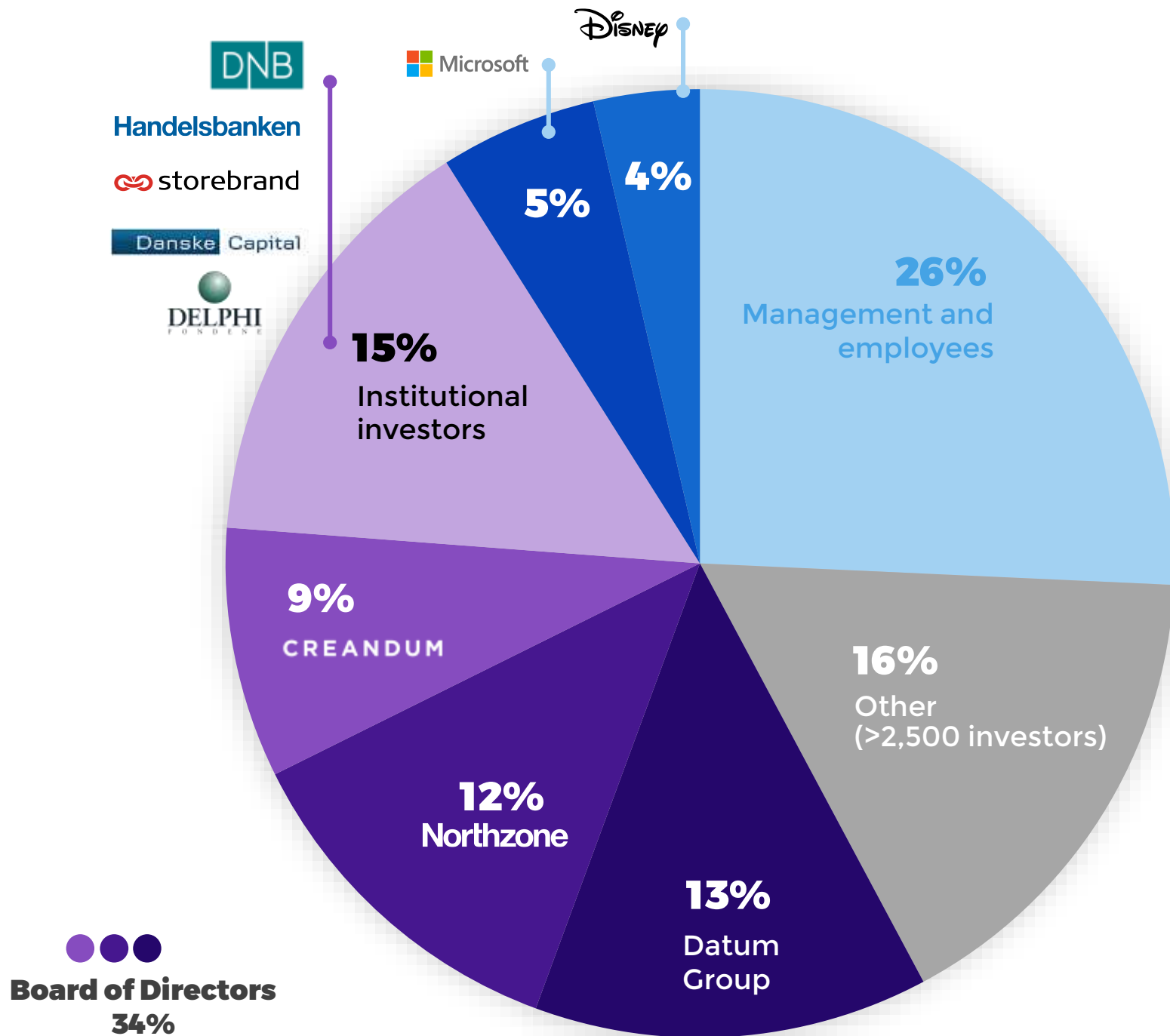
- 400-500K presenters on paid subscriptions
- Monthly price \$10-20 per user (ARR \$54-72m)
- 500K employees on corporate learning
- Monthly price \$1-5 per employee (ARR \$10-15m)

# Shareholders

Kahoot! AS has a total of 129.4m common shares and approx. 2,700 shareholders. The shares are listed on Merkur Market on Oslo Stock Exchange with ticker code KAHOOT-ME

Kahoot! shareholders per 25 February 2020

| Shareholder                                | Shares             | %              |
|--|--------------------|----------------|
| 1 Datum Group                              | 17 376 955         | 13.4 %         |
| 2 NORTHZONE VENTURES NORWAY AS             | 15 577 760         | 12.0 %         |
| 3 CREANDUM III LP                          | 11 044 420         | 8.5 %          |
| 4 AS REAL-FORVALTNING/K! invest            | 9 390 740          | 7.3 %          |
| 5 MICROSOFT GLOBAL FINANCE                 | 6 940 000          | 5.4 %          |
| 6 KAM HOLDING AS                           | 4 779 020          | 3.7 %          |
| 7 VERSVIK INVEST AS                        | 4 620 692          | 3.6 %          |
| 8 Citigroup Global Markets Inc.            | 4 500 000          | 3.5 %          |
| 9 NEWBROTT AS                              | 3 052 000          | 2.4 %          |
| 10 VERDIPAPIRFONDET NORGE SELEKTIV         | 2 886 382          | 2.2 %          |
| 11 NORDA ASA                               | 2 516 386          | 1.9 %          |
| 12 MP PENSJON PK                           | 2 307 756          | 1.8 %          |
| 13 VERDIPAPIRFONDET DNB NORGE              | 2 009 280          | 1.6 %          |
| 14 GLITRAFJORD AS                          | 2 000 000          | 1.5 %          |
| 15 GAMIFICATION AS                         | 1 866 600          | 1.4 %          |
| 16 SANDEN AS                               | 1 424 000          | 1.1 %          |
| 17 Brown Brothers Harriman & Co.           | 1 309 059          | 1.0 %          |
| 18 VERDIPAPIRFONDET DNB NORDEN             | 1 305 183          | 1.0 %          |
| 19 PATRICK MARCHAL AS                      | 1 103 480          | 0.9 %          |
| 20 EKHOLDT HUYNH AS                        | 1 103 480          | 0.9 %          |
| Other                                      | 32 246 303         | 24.9 %         |
| <b>Total outstanding shares</b>            | <b>129 359 496</b> | <b>100.0 %</b> |
| Employee option pool                       | 8 230 000          |                |
| <b>Total no. of shares (fully diluted)</b> | <b>137 589 496</b> |                |



# Q&A